

University Consultancy Policy

1. Introduction and Purpose

- 1.1 This policy sets out the clear guidelines by which University consultancy should be undertaken by employees and outlines how the University will support this activity.
- 1.2 The University Consultancy Policy is designed to:
- Ensure full oversight of all consultancy activity taking place across the University;
 - Reduce the risk to the University and its employees through full visibility and oversight of consultancy terms that are agreed;
 - Ensure the University charges a fair price for consultancy activity, covering its costs and ensuring a surplus is generated where it is applicable;
 - Signpost employees to the appropriate process to initiate consultancy activity and;
 - Provide a smooth and efficient process for organisations wishing to undertake consultancy activity with the University, recognising the speed and flexibility that is often required for consultancy activity.
- 1.3 The University recognises consultancy as an important activity for several reasons, including;
- its contribution to the purpose and vision of the University;
 - initiating activity with new companies and external clients, that could lead towards future collaborations, teaching and research income;
 - giving University employees exposure to real world challenges and experience, which not only enhances their personal development but also contributes positively to teaching and research;
 - generating additional income for the University, which can be used to support School activity, and supplement the local research and teaching activity of the consulting employee member;
 - the real-world progress and impact it can contribute to, which can be captured in REF and KEF Impact Case Studies or TEF case studies;

- generating a pipeline of future research and teaching activity by maintaining contact and activity with external clients.

1.4 The purpose of this policy is to define the procedures to be used for the management of consultancy activities in a way that ensures these benefits, while protecting the interests of both the University and our employees in a manner which reflects appropriate professional standards.

1.5 This policy does not form any part of employee's contracts of employment and can be amended or updated at any time.

2. Scope and definitions

2.1 This policy is applicable to all employees employed by the University.

3. Definitions

3.1 Certain terms used within this document have specific meaning, and for clarity are outlined below:

3.2 **University** means the University of Manchester.

3.3 **University Consultancy** refers to consultancy carried out through the University. This is where an employee provides a service to an external organisation based on their existing expertise and experience, as part of a contract between the University and the client.

3.4 **Private Consultancy** refers to consultancy activity carried out by an employee of the University in a personal capacity, completely independent of the University. The full terms and policy for this sort of activity are outlined in the [Work for Outside Bodies Policy](#).

3.5 **Consultancy** refers to the provision of existing expertise for an external client. New knowledge or fundamental understanding is not created, but instead, knowledge held by the academic is transferred and applied to the client's needs. Usually, consultancy can be identified by a high degree of input and ownership from the client, often with defined deliverables from the client. The consultant provides their expertise and guidance to support specific areas. Occasionally, consultancy may require the use of University equipment, but this should be for a small amount of time, and complimentary to the expertise the University is providing. A helpful decision tree to determine if the scope is research or consultancy can be found by clicking [here](#).

While foreground intellectual property may be generated for the company during consultancy, this would typically not be new knowledge for the academic, and any intellectual property generated would be dependent on background intellectual property held or being developed by the client. The [University's Intellectual Property Policy](#) applies to consultancy and all employees must comply with this at all times.

3.6 **Client** refers to the external organisation contracting with the University for the expertise and experience of an employee at the University. This could be, but is not limited to, private companies, public bodies, non-government organisations, charities, or community groups.

3.7 **Admin charge** is the charge levied by the University on consultancy income to cover the costs related to the legal, business engagement, and finance support, and to cover the professional indemnity insurance costs related to consultancy.

3.8 **Principal Investigator** is the employee leading the consultancy project and is often referred to as the “PI”. The Principal Investigator will be named on the consultancy contract and will manage the income from the project within their department “p” code.

4.0 Types of Consultancy

4.1 **University consultancy** is consultancy activity carried out by an employee on behalf of the University. This type of activity has the full support and contractual backing of the University, including professional indemnity insurance. This type of activity is not limited by length of contract, use of University equipment, or value, but instead is very clearly defined as non-research activity that does not generate new or fundamental academic knowledge. This would typically be a one-way transfer of expertise from the University to the client for a fee. Further guidance and information relating to University consultancy can be found by clicking [here](#).

4.2 **Private Consultancy** is consultancy activity carried out by an employee completely but with no involvement of the University. The full policy and guidelines for private consultancy are outlined in the Work for Outside Bodies Policy. Crucially, employees undertaking private consultancy would not be covered by the Universities insurance and should not use any University resources including University email address, computer, titles, or facilities.

5.0 Insurances

5.1 Employees should note they are only covered by the University of Manchester’s professional indemnity insurance policy if they are carrying out University consultancy activity in line with this policy, and following the process outlined [here](#). Employees should refer to the Work for Outside Bodies Policy for information relating to insurance in relation to any outside work or private consultancy.

5.2 Employees have a responsibility to review and familiarise themselves with the [University Insurance Policies](#) prior to conducting any University Consultancy.

6.0 Pricing University Consultancy

6.1 Consultancy is usually priced in day rates or hourly rates, providing a fixed cost for a set amount of employee time to the client. The Consultancy Services Team will provide you with a recommended minimum day rate for each project.

6.2 The recommended day rate is based on the full cost of your time including University overheads, with an additional surplus where appropriate, based on the client and the market rate. The Consultancy Services Team will advise you of this rate but won’t provide a breakdown of this, however your daily rate will always at least cover your full cost to the University.

6.3 Ultimately any daily rate is at the discretion of the Head of Department/Division, and they can approve any rate they see as appropriate. The Consultancy Services Team will provide our recommended rate before any project is approved by the Head of Department/Division.

7.0 Approvals for University Consultancy

7.1 Approval from the Head of Department/Division is required for all University consultancy activity carried out by our employees. Approvals will be sought and managed through Pure.

7.2 Approval may be given for a University consultancy if:

- the work has been setup through the University, following the process [here](#).
- the work is in the general interests of the University;
- the work is in the area of academic and/or administrative expertise of the employee involved and should relate to their University appointment;
- the full market rate is being recovered for the work;
- the work can be undertaken without detriment to the individual employees' management of their existing workload/capacity;
- no costs, including overheads, will fall on the University which are not charged out to the external client;
- the work is not likely to bring the University into disrepute nor create unwarranted risks for the University nor likely to conflict with the individual's commitments to the University;
- the issue of intellectual property has been addressed appropriately; and
- the work is compatible with the University's charitable status.

7.3 If the market rate is not being recovered, other benefits to the University may exceptionally be taken into account. However, all direct and indirect costs incurred must be recovered.

7.4 In seeking approval, the employee must also disclose any outside activity, relationship or interest (including any financial interest), which might give rise to a conflict of interest (See Section 11).

7.5 It is the responsibility of the employee undertaking the University Consultancy activity to ensure they have the legal right to undertake the consultancy activity in compliance with Home Office and immigration rules. Employees can seek guidance regarding this from the [Global Mobility Team](#).

7.6 While University consultancy is generally considered above and beyond the core duties of employees and is not typically recognised as part of any faculty or work contribution model, an employee may seek approval from their Head of Department/Division or Head of School to have it recorded in the relevant faculty or work contribution model if it is deemed highly strategic and beneficial to the University. If approved, all consultancy income must be retained within a University account. Consultancy income cannot be personally paid to the employee via payroll in such circumstances

7.7 The University does not permit employees to carry out UoM duties from overseas locations without prior authorisation. It is the employee's responsibility to ensure that any request to perform UoM

duties from outside the UK is submitted to the Global Mobility Team for review and subsequently approved by the Dean or Registrar.

8.0 Contracting University Consultancy

- 8.1 All consultancy projects will be initiated through the Launch Consultancy Project form, which will be received by the Consultancy Services Team.
- 8.2 The Consultancy Services Team will provide a University of Manchester Service Agreement Contract (Sales Order) to be sent to the client. Where the client agrees this Contract without any changes to the terms and conditions, the Head of Department/Division can sign off the contract.
- 8.3 Where an external contract is required by the client, this must be reviewed by the Contracts Team, and upon agreement, signed by the Head of Contracts. The employee undertaking the project, and the Head of Division cannot sign off an external contract.
- 8.4 Where the consultancy project includes the transfer of materials from the University to the client, a Material Transfer Agreement (MTA) must be put in place. This can be coordinated by the Consultancy Services Team and the University of Manchester Innovation Factory.

9.0 Income from University Consultancy activity

- 9.1 All consultancy income will be invoiced to the external organisation by the relevant UoM finance department and credited to a relevant department account. The employee should speak to their Head of Department/Division or Finance team to determine the correct code to be used on the invoice request form.
- 9.2 The School will recover 100% of the consultancy income that relates to the use of equipment and facilities.
- 9.3 The University will take a 20% administration charge from the consultancy income relating to the employee's time to cover costs such as professional indemnity insurance, and support from Contracts, Finance, Business Engagement and the Consultancy Services. The remaining 80% of income can be managed by the employee leading the consultancy project, with spend approval required by the Head of Department/Division.
- 9.4 Consultancy income attributed to be spent on consumables will be fully available to the Principal Investigator to spend during the consultancy project.
- 9.5 Consultancy income can be kept in a University account, for University expenditure (i.e. University equipment, travel, conference fees).
- 9.6 Consultancy income can be personally paid to the employee via payroll, with the approval of the Head of Department/Division. The employee must complete a PR5 Form to arrange for the payment through payroll. The amount claimed through this route should be minus the 20% admin charge, and minus an additional 15% to cover Employer National Insurance and Apprentice Levy. The 15% deduction reflects

the rates in place at the time of publication. This percentage may be subject to change in line with any future adjustments to Employers National Insurance and Levy rates. For any income personally paid to the employee via payroll, the employee remains fully liable for personal income tax and employee National Insurance contributions as required by law.

- 9.7 Employees can use a combination of routes outlined in 9.5 and 9.6. Full details of this income allocation plan should be outlined in the 'Launch Consultancy Project' form at the start of the process (section 6).
- 9.8 Income from consultancy will remain within a code (account) for the duration of the project, even if this spans multiple financial years.
- 9.9 Any unspent income within a department code at the end of the University financial year will be recognized as a departmental contribution to University overheads and retained by the School. However, Heads of Department/Division or School may, at their discretion, approve extending the spend deadline and keeping the relevant code open for exceptional circumstances, allowing for appropriate minor expenditure in the following financial year. Employees should apply directly to their HoD/HoS, indicating any plans for the unspent funds.
- 9.10 If employees are engaging in any University consultancy activity it is their responsibility to familiarise themselves and ensure adherence to IR35 & HMRC legislation and compliance. Employees should also ensure adherence to all University Financial Regulations and Financial Procedures.

10.0 Conflict of Interest

- 10.1 As a public body, the University has a duty to conduct its affairs in a responsible, ethical and transparent manner and to comply with the requirements of funding bodies and the standards in public life as outlined in the reports of the Nolan Committee.
- 10.2 There is a need to ensure that both the University and employees are protected from the difficulties which may result when the interests of each are, or could be construed as being, in conflict.
- 10.3 This arises most obviously in situations where the individual, in the course of their employment with the University, has privileged access to opportunities which would lead directly to the individual's personal financial gain or that of any connected person, or where the individual is able to influence the University's relationship with an outside body which, in turn, could lead to similar gain.
- 10.4 It is an employee's responsibility to recognise actual conflict of interest or those situations that might reasonably be seen by others to have a conflict of interest, and pro-actively declare any such risks to ensure the University can manage such conflicts appropriately or seek advice to determine any potential conflicts of interest. In the first instance advice can be sought from the Consultancy Services Team
- 10.5 Employees must declare in the [Register of Interest Declaration](#) process any outside or other personal interest that may compromise or might be reasonably deemed to compromise impartiality, conflict with duty as an employee or could potentially result in a conflict of interests leading to private benefit.

11.0 Monitoring Compliance

- 11.1 Failure to follow the specified process and approval procedure in relation to consultancy as required by this policy is regarded as a disciplinary matter and will be subject to the University's disciplinary procedures. In addition, employees will not be indemnified or insured by the University in circumstances where the correct approval process has not been obtained.

Version amendment history		
Version	Date	Reason for change
1	August 2024	Updated Consultancy Procedures and separation of Outside Work Policy.

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Policy / Procedure title:	Consultancy Policy
Lead contact email	consultancy@manchester.ac.uk
Date updated:	March 2025
Approving body:	People Committee
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Supersedes:	Outside Work Consultancy Policy
Previous review dates:	N/A
Next review date:	March 2027
Equality impact outcome:	Low
Related Statutes, Ordinances, General Regulations:	
Related policies/procedures/guidance etc	Work for Outside Bodies Policy Intellectual Property Policy Handy Guide to the Register of Interest
Policy owner:	People Directorate
Lead contact:	Policy Manager

